

Following Hearing, Rep. Gutierrez Joins Reps. Kilroy and Cohen to Stress Need to Address Credit Fairness and Equality Issues

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(Washington, DC)— Immediately following a hearing of the House Financial Services Subcommittee on Financial Institutions and Consumer Credit, **Chairman**

Luis V. Gutierrez

(D-IL) joined

Rep. Steve Cohen

(D-TN) and

Rep. Mary Jo Kilroy

(D-OH) to discuss legislative approaches to protecting consumers in matters related to the uses and potential abuses of consumer credit scores and reports. In 2009, Rep. Cohen introduced H.R. 3149, the "Equal Employment for All Act," to restrict the use of credit reports for certain employment purposes and Rep. Kilroy introduced H.R. 3421, the "Medical Debt Relief Act of 2009," to prohibit the inclusion of medical debts that have been fully paid or settled from remaining on a consumer credit report. Rep. Gutierrez indicated that these bills and others would become part of a comprehensive bill to protect consumers in matters of consumer credit scores and reports.

"My concerns and the concerns of this Subcommittee that there are serious issues with the way

consumer credit reports are compiled, used, and in some cases, misused were validated by today's hearing," Rep. Luis V. Gutierrez, Chairman of the House Financial Services Subcommittee on Financial Institutions and Consumer Credit, said at a press availability today immediately following the hearing. "Low- and middle-income families and especially racial and ethnic minorities need to know that a powerful determinant of their credit worthiness -- their credit score -- is a tool that has far ranging consequences for them and their families."

"It is not fair to use someone's credit history against them when they are applying for a job," said Congressman Cohen, who sponsored the Equal Employment for All Act to prohibit employers from using credit checks as part of the hiring process unless the position involves national security, FDIC clearance or tremendous financial responsibility. "A person's credit history has no bearing on their job performance. We should be doing everything in our power to help people land jobs during these tough economic times -- not hinder them."

Added Rep. Gutierrez, "We don't want to catch people in an unending cycle of debt. If someone can't get a job because their bad credit score, it stands to reason that they will have a harder time paying off debts that would improve their credit score and allow them a better chance of landing a job that would help them and their family. It's a vicious cycle that doesn't serve anyone."

On the issue of medical debts hurting a person's credit score, Rep. Mary Jo Kilroy said, "I introduced the Medical Debt Relief Act to help hard-working Americans who play by the rules, pay or settle their medical debts, yet find their economic well-being and their credit scores adversely affected for years to come. Today, we're taking an important step in the right direction to deal with this issue."

On that theme, Rep. Gutierrez said, "Americans don't choose when they get sick and their credit history shouldn't be unfairly damaged by their inability to pay increasingly exorbitant medical debt on time. Chemotherapy is completely different from overextending your finances to buy a second HDTV and your credit report should reflect this reality as well."

Rep. Gutierrez indicated that he was working on comprehensive consumer protection legislation that would incorporate proposals like those introduced by Reps. Kilroy and Cohen and address issues raised at today's hearing and at other hearings in the series that have examined consumer credit issues.

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Rep. Gutierrez' opening statement from today's hearing, "Use of Credit Information Beyond Lending: Issues and Reform Proposals," is available here: <http://bit.ly/b2GvHC>

A live stream/recording of the hearing is available here: <http://bit.ly/bd5NE0>